



MINUTES OF THE BOARD OF COMMISSIONERS
OF THE COMMUNITY DEVELOPMENT COMMISSION OF THE
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

Larry J. Monteilh, Executive Officer-
Clerk of the Board of Commissioners
383 Hall of Administration
Los Angeles, California 90012

2-D

The following matter was called up for consideration:

Executive Director of the Community Development Commission's recommendation to delegate authority to Executive Director to purchase real property in unincorporated Los Angeles County and participating cities, subject to Federal limits, using Countywide Community Development Block Grant funds and Community Development Block Grant funds allocated to all Supervisorial Districts, to develop low-and moderate-income housing and to provide homeownership opportunities; and authorize Executive Director to develop, rehabilitate, or cause to be rehabilitated, and to market the properties.

David Lund, Executive Director of the Community Development Commission, addressed the Board.

After discussion, on motion of Supervisor Edelman, seconded by Supervisor Dana, duly carried by the following vote: Ayes: Supervisors Hahn, Edelman, Dana and Antonovich; Noes: Supervisor Schabarum, the Executive Director of the Community Development Commission's attached recommendation was approved.

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Attachment

January 2, 1990

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David N. Lund
Executive Director

Community Development Commission County of Los Angeles

2525 Corporate Place • Monterey Park, California 91754
(213) 260-2100 • Telefax: (213) 260-2194

Commissioners
Peter F. Schabarum
Kenneth Hahn
Edmund D. Edelman
Deane Dana
Michael D. Antonovich

DELEGATE AUTHORITY TO THE EXECUTIVE DIRECTOR TO PURCHASE REAL PROPERTY UNDER THE INNOVATIVE AFFORDABLE HOUSING/LANDBANKING AND PROPERTY DEVELOPMENT PROGRAMS IN UNINCORPORATED LOS ANGELES COUNTY AND PARTICIPATING CITIES; AND AUTHORIZE USE OF FEDERALLY-ESTABLISHED ACQUISITION PRICE LIMITS FOR THESE PURCHASES

Executive Summary (3 Vote)

- Request:** Authorization is requested to delegate authority to the Executive Director to purchase real property throughout unincorporated Los Angeles County and participating cities. These properties, which will be purchased under the Innovative Affordable Housing/Landbanking Program and the Property Development Program, will be used to develop low- and moderate-income housing and to provide homeownership opportunities.
- Fiscal Impact:** Properties will be acquired using Countywide Community Development Block Grant (CDBG) funds and CDBG funds allocated to all Supervisorial Districts under the Innovative Affordable Housing/Landbanking Program and the Property Development Program. Purchases will not exceed the amount budgeted by the Commission for this purpose during any fiscal year.
- Issues:** The Commission has been authorized by your Board to purchase, rehabilitate and market single-family properties acquired from private and institutional sellers under the Innovative Affordable Housing/Landbanking Program, without having to obtain approval for each purchase. The Commission is requesting that this authority be expanded to include purchases of single-family, multi-family and vacant lands acquired under both the Affordable Housing/Landbanking Program and Property Development Program. The properties will be used to develop low- and moderate-income housing and to provide homeownership opportunities in unincorporated Los Angeles County and participating cities.
- Single-family unit purchase price limits are based on the current median household income for Los Angeles County as annually established by the United States Department of Housing and Urban Development (HUD). Multi-family and vacant land purchases may not exceed the Federal Housing Administration's appraised value. The Commission wishes to apply the prevailing federal limits to all future purchases under the Affordable Housing/Landbanking Program and the Property Development Program. The current maximum limit for a single-family dwelling is \$129,500.

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Community Development Commission County of Los Angeles

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Commissioners

Peter F. Schabarum

Kenneth Hahn

Edmund D. Edelman

Deane Dana

Michael D. Antonovich

David N. Lund
Executive Director

December 14, 1989

Honorable Board of Commissioners
Community Development Commission
383 Hall of Administration
500 West Temple Street
Los Angeles, California 90012

**DELEGATE AUTHORITY TO THE EXECUTIVE DIRECTOR TO PURCHASE REAL PROPERTY
UNDER THE INNOVATIVE AFFORDABLE HOUSING/LANDBANKING AND
PROPERTY DEVELOPMENT PROGRAMS IN UNINCORPORATED LOS ANGELES
COUNTY AND PARTICIPATING CITIES; AND AUTHORIZE USE OF
FEDERALLY-ESTABLISHED ACQUISITION PRICE LIMITS FOR THESE PURCHASES**

Dear Commissioners:

This letter requests that your Board delegate authority to the Executive Director to acquire real property in unincorporated Los Angeles County and in participating cities using Countywide Community Development Block Grant (CDBG) funds and CDBG funds allocated to all Supervisorial Districts. These properties, which will be purchased under the Innovative Affordable Housing/Landbanking Program and the Property Development Program, will be used to develop low- and moderate-income housing and to provide homeownership opportunities.

Background

On September 16, 1987, your Board authorized the Commission to acquire, rehabilitate and market single-family properties acquired from private and institutional sellers, without having to obtain authorization for each purchase. By granting the Commission limited acquisition authorization, it has been able to acquire foreclosed single-family properties in order to provide homeownership opportunities for low- and moderate-income persons, and to improve the housing stock within unincorporated Los Angeles County and in CDBG participating cities. The Commission has used funds allocated to the Innovative Affordable Housing/Landbanking Program for this purpose, and has paid no more than \$75,000 per site as authorized by your Board. Authorization is being requested at this time to expand the Executive Director's authority to also include purchases under the Property Development Program.

Single-family unit purchase price limits are based on the current median household income for Los Angeles County as annually established by the United States Department of Housing and Urban Development (HUD). Multi-family and vacant land purchases may not exceed the Federal Housing Administration's

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Honorable Board of Commissioners
December 14, 1989
Page 2

appraised value. The Commission wishes to apply the prevailing federal limits to all future purchases under the Affordable Housing/Landbanking Program and the Property Development Program. The current maximum limit for a single-family dwelling is \$129,500.

All purchases will be in accordance with the regulatory requirements of the CDBG Program, and will not exceed the appraised fair market value of the real property in "as is" condition. The aggregate purchase price for all properties will not exceed the amount budgeted for this purpose during any fiscal year.

In recognition of the time constraints and escalating land costs associated with the real estate industry, the Commission wishes to position itself to effectively capitalize on housing development opportunities as they emerge in the marketplace. By streamlining and expediting this process, the Commission will expand the real estate pool from which it can draw.

Current Action Requested

It is requested that your Board delegate authority to the Executive Director to acquire real property in unincorporated Los Angeles County and participating cities using Countywide CDBG funds and CDBG funds allocated to all Supervisorial Districts under the Innovative Affordable Housing/Landbanking Program and the Property Development Program. Purchases will be subject to the above federal limits and guidelines set forth in Exhibit A.

IT IS, THEREFORE, RECOMMENDED THAT YOUR BOARD:

1. Delegate authority to the Executive Director to purchase real property subject to federal limits described herein and the acquisition criteria identified in Exhibit A;
2. Authorize the Executive Director to execute any and all documentation which may be required to complete said acquisitions including any consent agreements with participating cities; and
3. Authorize the Executive Director to develop, rehabilitate, or cause to be rehabilitated, and market said properties subject to requirements of the Commission's procurement policy and the Housing and Community Development Act of 1974, as amended, and to execute any and all documents required to complete said actions.

Sincerely,


DAVID N. LUND
Executive Director

DNL:sld/BL-1

EXHIBIT A

AUTHORIZATION FOR THE COMMUNITY DEVELOPMENT COMMISSION
TO ACQUIRE AND RESELL RESIDENTIAL REAL PROPERTY

CRITERIA

1. Properties must be located in either unincorporated areas of Los Angeles County or participating cities;
2. Single-family properties must be vacant or owner-occupied at the time the acquisition offer is made;
3. The Community Development Commission (Commission) is not to pay in excess of the appraised fair market value of the real property in its then existing "as is" condition;
4. The Commission will utilize maximum acquisition limits established annually by the United States Department of Housing and Urban Development for purchase of the single-family properties, exclusive of transaction costs;
5. The aggregate purchase price for all units and vacant sites so acquired shall not exceed the amount budgeted by the Commission for acquisitions during any fiscal year;
6. Acquisition and disposition procedures shall be in accordance with the Commission's procurement procedures and shall be conducted in accordance with the regulatory requirements of the Community Development Block Grant Program and all applicable federal, state and County regulatory requirements; and
7. The Commission shall receive written approval to purchase multi-family units and vacant land from the appropriate Board Office before the acquisition process begins.
8. The Commission shall obtain consent agreements with participating cities.

Exhibit A

AUTHORIZATION FOR THE COMMUNITY DEVELOPMENT COMMISSION
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4. ~~The Commission will utilize maximum acquisition limits established annually by the United States Department of Housing and Urban Development for purchase of the single-family properties, exclusive of transaction costs;~~
5. The aggregate purchase price for all units and vacant sites so acquired shall not exceed the amount budgeted by the Commission for acquisitions during any fiscal year;
6. Acquisition and disposition procedures shall be in accordance with the Commission's procurement procedures and shall be conducted in accordance with the regulatory requirements of the Community Development Block Grant Program funding sources and ~~all applicable federal, state and County regulatory requirements;~~ and
7. The Commission shall receive written approval to purchase multi-family units and vacant land from the appropriate Board Office before the acquisition process begins.
8. The Commission shall obtain consent agreements with participating cities.